

Village of Cottage Gove

**COTTAGE GROVE POLICE DEPARTMENT DISSOLUTION STUDY –
Preliminary Findings**



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Christine Smith, Principal
December 10, 2013
Final Report



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Overview of Project

Baker Tilly Virchow Krause, LLP was commissioned to assist the Village of Cottage Grove in evaluating the feasibility of dissolving the current joint Cottage Grove Police Department serving both the Town of Cottage Grove (Town) and the Village of Cottage Grove (Village). The joint Law Enforcement Agreement is directed by the Law Enforcement Commission (LEC) which has 3 acting members from each municipality.

This preliminary analysis is intended to help the Village in determining the organizational and operational scenario that best serves the residents and businesses of the Village. There are advantages and disadvantages of jointly serving municipal departments and it is prudent that municipalities constantly monitor the situation as a service to the taxpayers of the community who depend on government resources.

The findings and opportunities presented in this report are based on a combination of multiple sources:

- > Discussions with the Village Board members and other Village representatives;
- > Information and data collected from the Village;
- > Research data for best industry practices and benchmarking analysis; and
- > Our experience gained in performing similar studies for similarly situated organizations.

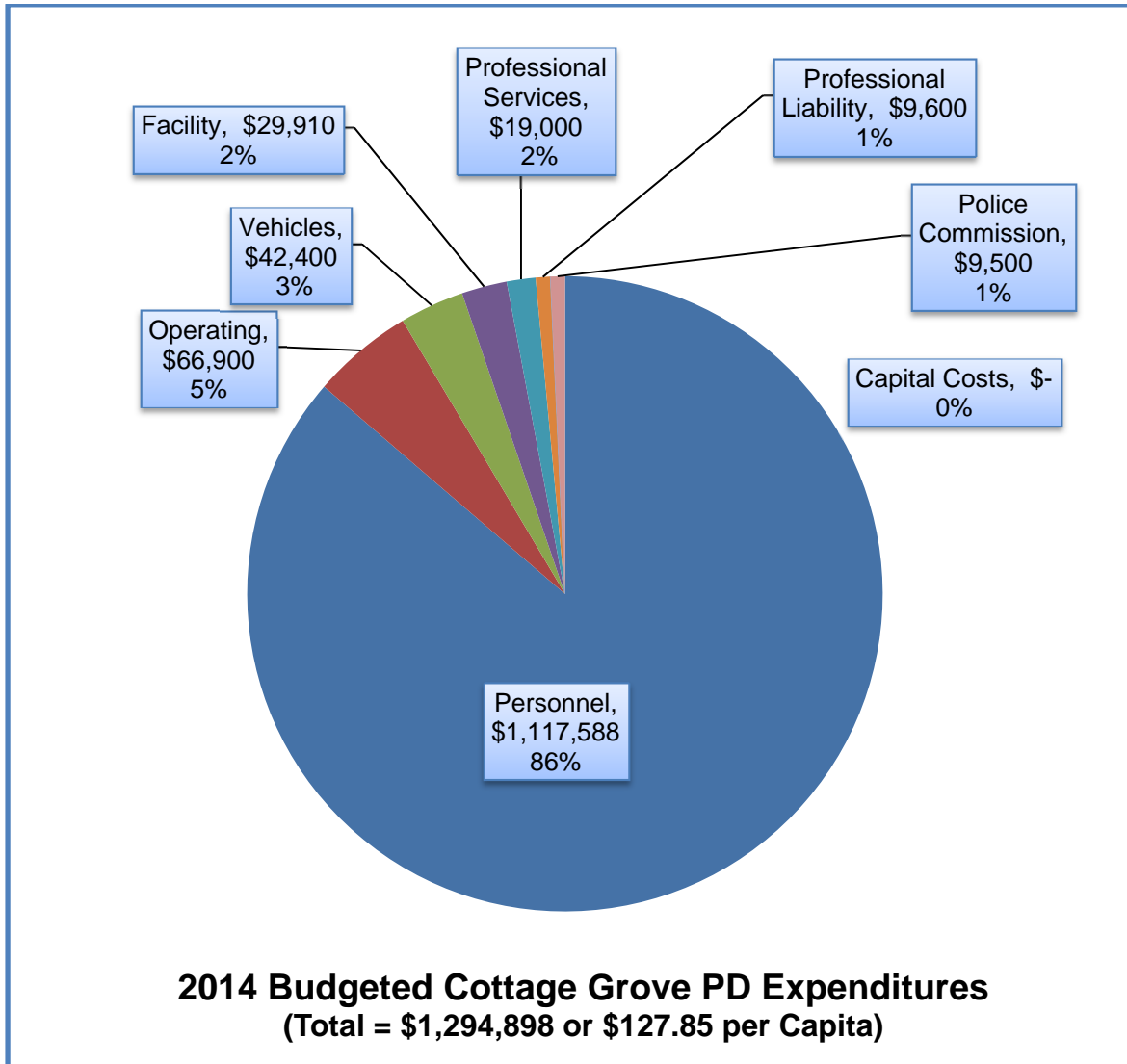
Current State

The “current state” basis for the purposes of this study is the FY2014 budget information and operating condition. The current state is intended to represent the situation specific to the Village if it is to maintain its current joint agreement with the Town into the near future.

Expenditures

The 2014 budget expenditure data was divided into the following categories:

- > Employees
- > Operating
- > Vehicles
- > Facility
- > Professional Services
- > Professional Liability
- > Police Commission
- > Capital Costs



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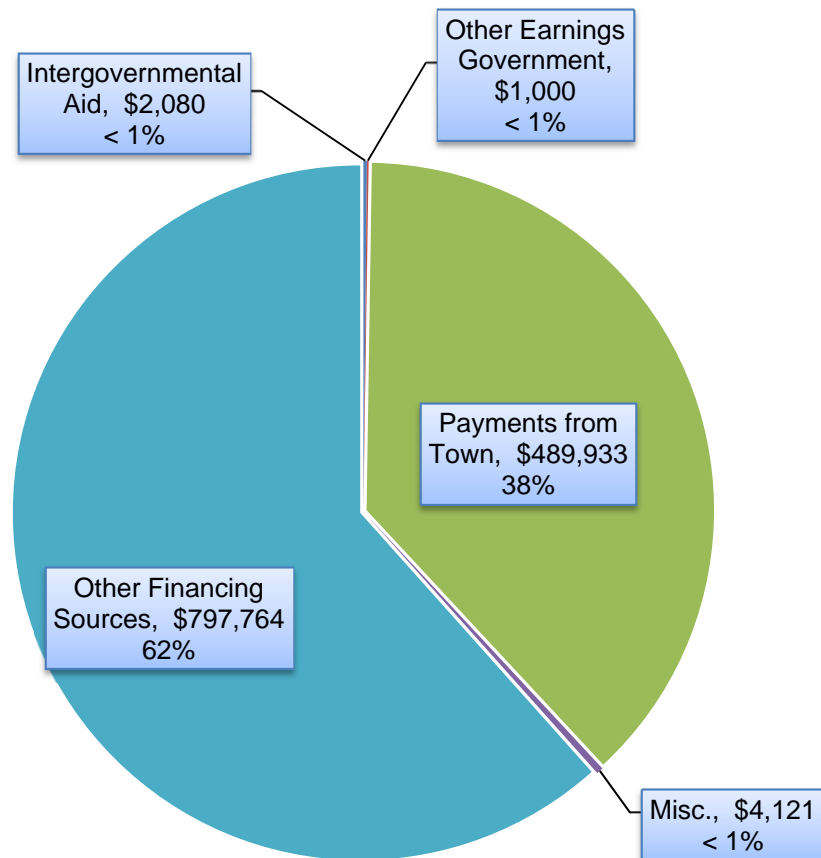
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The 2014 budget expenditure data for the continuation of a combined police department indicates that the vast majority of funds (86%) go towards department personnel. This includes the fully loaded salaries, insurance/liability related to personnel, and workers compensation estimates. It should be noted that while Facilities expense is shown as \$29,910 in the 2014 budget (includes lease, property taxes, utilities, janitorial services, and maintenance), this does not reflect the updated 2014 lease increase and building lease increases planned through 2018. The approximate average increase in lease expense between 2013 and 2018 is \$7,600 per year.

Revenues

The 2014 budget revenue data was divided into the following categories:

- > Intergovernmental Aid
- > Other Earnings Government
- > Payments from Town
- > Miscellaneous
- > Other Financing Sources (Cottage Grove tax levy revenue)



2014 Budgeted Cottage Grove PD Revenues
(Total = \$1,294,898 or \$127.85 per Capita)

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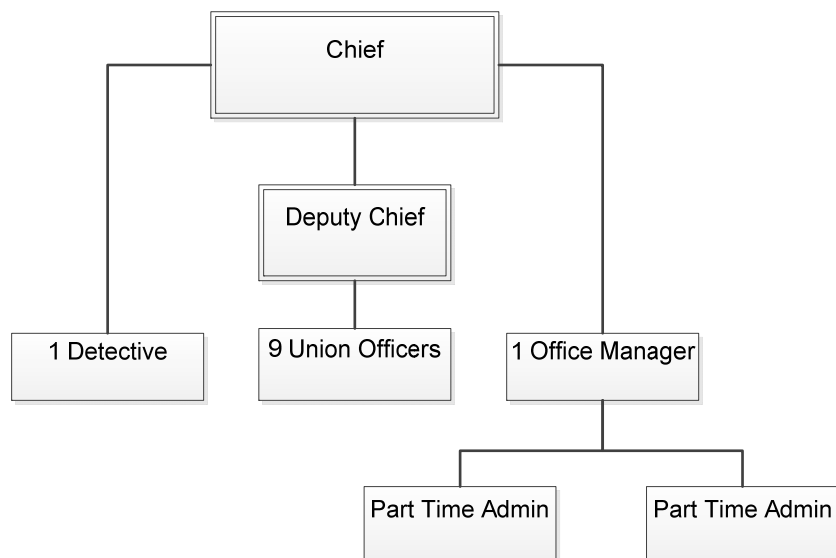
The 2014 budget expenditure data for the continuation of a combined police department mimics the current funding agreement between the Village and the Town where the Village provides 61.67% of the funds and the town provides 38.33% of the funds. Revenues outside of the Village General Fund and payments from the Town are approximately 1% in total and considered non-factors in this study. The table below gives a snapshot of several of the impact factors that could be used to determine effort required to provide services to the public. It should be noted that each of these would likely be weighted differently when assigning overall impact to law enforcement services provided. The most common metrics used related to police department services or fire/EMS services are equalized value, population, and calls for service.

Impact Factor	Town	Village
Equalized Value	40%	60%
Population	41%	59%
Road Miles	71%	29%
Calls for service	40%	60%
Traffic Crashes	76%	24%

A review of these factors shows that in terms of stagnant factors the current allocation of approximately 60% Village / 40% Town correlates to the actual proportion of these factors. However, more dynamic factors (i.e., road miles patrolled and level of traffic crashes responded to) that might mirror the actual level of workload of the Village in comparison to the Town are closer to a 30% Village to 70% Town ratio. A complete workload analysis would be required to truly understand the implications of these dynamic factors as well as others not listed in the table above.

Staffing

The current combined Cottage Grove Police Department has budgeted for 14 full-time equivalent (FTE) employees in 2014. This includes a chief, a deputy chief, a detective, 9 officers, 1 office manager, and 2 part-time administrators. All positions are currently filled except for the deputy chief position. The organization chart bellows depicts the current structure.



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The below chart shows the detailed breakdown of labor costs for the current joint department personnel budget which equals approximately \$1.072 million in total, of which the Village is responsible for \$661,000:

Cottage Grove Combined Police Department Projected Personnel Expense - 2014

Position	Wages	FICA	Retirement	Disability	Health	Dental	Life	Total Salary & Benefits	Village Portion @ 61.67%
Union Officer	\$52,861	\$4,044	\$9,039	\$132	\$18,858	\$1,411	\$81	\$86,426	\$53,299
Union Officer	\$48,917	\$3,742	\$8,365	\$122	\$16,173	\$1,411	\$129	\$78,860	\$48,633
Union Officer	\$48,781	\$3,732	\$8,342	\$122	\$18,858	\$1,411	\$54	\$81,300	\$50,138
Union Officer	\$47,571	\$3,639	\$4,805	\$119	\$7,866	\$486	\$48	\$64,534	\$39,798
Union Officer	\$52,339	\$4,004	\$8,950	\$131	\$19,591	\$1,411	\$135	\$86,560	\$53,382
Union Officer	\$52,936	\$4,050	\$9,052	\$132	\$0	\$0	\$128	\$66,298	\$40,886
Union Officer	\$52,595	\$4,024	\$8,994	\$131	\$18,858	\$1,411	\$55	\$86,068	\$53,078
Detective	\$54,272	\$4,152	\$9,281	\$136	\$19,591	\$1,411	\$94	\$88,936	\$54,847
Union Officer	\$52,861	\$4,044	\$9,039	\$132	\$19,591	\$1,411	\$90	\$87,169	\$53,757
Union Officer	\$53,640	\$4,103	\$9,172	\$134	\$6,410	\$486	\$140	\$74,087	\$45,689
Part Time Officer	\$2,380	\$182	\$0	\$0	\$0	\$0	\$0	\$2,562	\$1,580
Total Officers	\$519,154	\$39,715	\$85,038	\$1,292	\$145,796	\$10,851	\$955	\$802,801	\$495,087
Chief	\$79,569	\$6,087	\$8,036	\$199	\$6,943	\$486	\$101	\$101,421	\$62,546
Deputy Chief	\$35,360	\$2,705	\$3,571	\$88	\$8,644	\$706	\$250	\$51,324	\$31,652
Retirement	\$0	\$0	\$0	\$0	\$8,280	\$0	\$0	\$8,280	\$5,106
Total Admin	\$114,929	\$8,792	\$11,608	\$287	\$23,867	\$1,192	\$351	\$161,025	\$99,304
Office Manager	\$43,549	\$3,331	\$3,048	\$109	\$17,288	\$1,411	\$95	\$68,832	\$42,448
Part Time Admin	\$17,139	\$1,311	\$1,200	\$21	\$3,471	\$243	\$0	\$23,386	\$14,422
Part Time Admin	\$14,997	\$1,147	\$0	\$0	\$0	\$0	\$0	\$16,144	\$9,956
Total Office	\$75,685	\$5,790	\$4,248	\$130	\$20,759	\$1,654	\$95	\$108,362	\$66,827
Total Department	\$709,768	\$54,297	\$100,894	\$1,710	\$190,422	\$13,697	\$1,400	\$1,072,188	\$661,218

Notes:

Total Police Department Personnel Cost does NOT include \$39,000 budgeted for workers compensation.

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Facility

The existing facility at 2560 Nora road is approximately 4,600 square feet of office space and 4,800 square feet of storage / parking. The chart below shows the approximate cost breakdown for future years. It should be noted that for the five year period from 2013 to 2018, the facility rent increases approximately 14.7% per year or a total of 99%.

Expense	2013 Projected	2014 Projected	Avg. 2014 to 2018
Lease / Rent	\$11,258	\$13,959	\$18,888
Property Taxes	\$8,000	\$8,000	\$8,000
Facility Utilities	\$5,113	\$6,600	\$7,000
Janitorial Services	\$1,950	\$2,900	\$3,500
Facility Maintenance	\$500	\$250	\$500
TOTAL	\$26,821	\$31,709	\$37,888
Village Portion at 61.67%	\$16,541	\$19,555	\$23,366

Summary

The Village is currently responsible for \$798,564 (61.67%) of the \$1,294,898 FY2014 budget, with \$788,265 of the Village portion of the revenue coming from tax levy. Hence, there are very few impacts to consider on the revenue side of the budget in relation to the potential dissolution of the combined department. The more relevant discussion revolves around the costs of staffing and operating the department in a combined vs. separate department. With personnel costs accounting for 86% of the expenditures, it is by far the most impactful in a dissolution scenario. Predicting the appropriate staffing level in the future state is important to estimating future tax levy impacts. Operating, Vehicle, and Facility costs (5.3%, 3.3%, 2.3% respectively in FY2014 combined department) are the next most impactful.

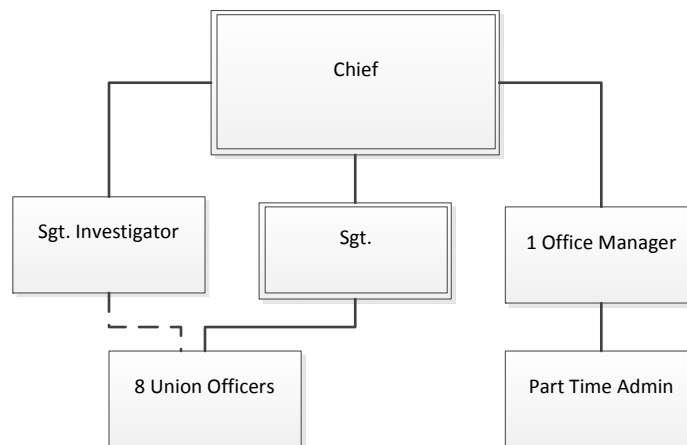
Future State

The “future state” analysis considered scenarios where the joint Law Enforcement Agreement between the Village and the Town is dissolved. For purposes of this study, it is assumed that the Village would serve only the Village of Cottage Grove population and boundary area. All assets and liabilities would be split by the current 61.67% and 38.33% distribution programmed for 2014 budget purposes. It is also assumed that any additional assets (i.e. vehicles, equipment, etc.) that the Village requires beyond the 61.67% ownership will be available for purchase from the Town.

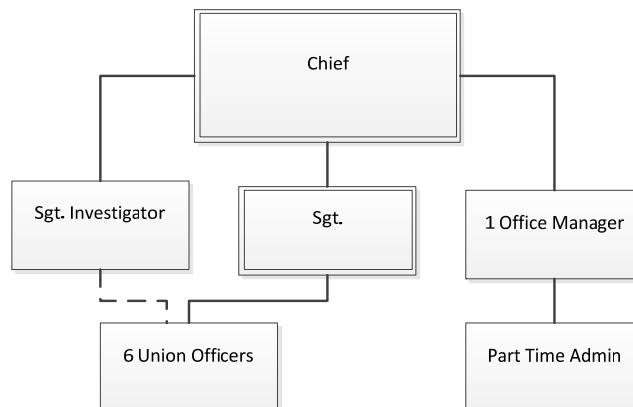
Staffing

For purposes of this analysis we will discuss two staffing level options available to the Village: Option 1) based on a similar to current staffing approach; and Option 2 a staffing level that is at the low end of the range when compared to similar sized Wisconsin law enforcement departments. The levy impact will be calculated using only the Option 2 scenario.

Option 1



Option 2



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Comparison of Staffing Levels – Similarly Sized Wisconsin Agencies

Agency Scenario	Pop.	Total Law Enforcement FTE	Officers	FTE per 1,000 Capita	Officers per 1,000 Capita	Square Miles	Officers per Square Mile	Department Expenditure	Dept. Expenditure per Capita	Dept. Expenditure per FTE
Current State 2014 (Village + Town)	10,128	14	10	1.4	1.0	35.7	0.3	\$1,294,898	\$128	\$92,493
Future State 2015 (Village Only - Opt 1)	6,889	12.5	10	1.8	1.5	2.3	4.4	\$1,232,568	\$179	\$98,605
Future State 2015 (Village Only - Opt 2)	6,889	10.5	8	1.5	1.2	2.3	3.5	\$1,086,600	\$158	\$103,486
Comparable WI PD Dept. Averages				2.4	1.9		3.5		\$244	\$101,087
RANGE (LOW - HIGH)				1.6	1.3		1.3		\$153	\$78,525
				4.4	3.7		7.5		\$439	\$140,978

Notes:

1. Statistics taken from Wisconsin Taxpayer Alliance Muni Facts Publication 2013; staffing information taken from PD websites.
2. The 10 comparable Wisconsin Police Department agencies were all serving populations under 10,000.
3. Part time employees listed for comparable municipalities were counted as 1/2 full-time equivalent (FTE).
4. It was assumed that a Chief, Captain, or School Liaison did not perform "patrol" duties unless specifically mentioned and are not classified as "officers" in the metrics above.
5. Sergeants, Lieutenants, and Detectives / Investigators were included as "officers" in the metrics above

The matrix above shows that the Cottage Grove current state staffing levels are considerably below both the similarly sized law enforcement agencies average and the lowest levels when considering officers per capita, officers per square miles, and overall expenditure per capita.

Comparison of Staffing Levels – Similarly Sized Regional & National Agencies

Agency Scenario	Pop.	FTE per 1,000 Capita	Officers per 1,000 Capita
FBI.gov Survey	<10,000	4.5	3.5
FBI.gov Survey Midwest Cities	<10,000	3.4	2.8
FBI.gov Survey	10,000 – 25,000	2.4	1.9
FBI.gov Survey Midwest Cities	10,000 – 25,000	2.2	1.8

Notes:

1. Of the 6,835 cities under 10,000 population in 2010, 19.7% had FT law enforcement employee rates of 1.5 per capita or less.
2. Of the 6,835 cities under 10,000 population in 2010, 9.2% had FT law enforcement officer rates of 1.0 per capita or less
3. Of the 7,987 cities under 10,000 population in 2010, 22.2% of the FT law enforcement employees were civilians
4. Source: <http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2010/crime-in-the-u.s.-2010/police-employee/cities-and-counties-grouped-by-size-population-group>

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This nationwide data and Midwest cities data for municipalities under 10,000 in population indicate higher total department FTE per 1,000 Capita and higher Officers per 1,000 Capita than the comparable municipalities in the Wisconsin comparable grouping as indicated through the 2013 Wisconsin Taxpayer's Alliance Municipal Facts statistics.

Staffing Impact	Current State (Combined Dept.)	Current State (Village Allocation)	Future State (Option 2)	Variance for Village
Total FTE	14.0	8.6	10.5	1.9
Officers	10.0	6.2	8.0	1.8
Officers Per 1,000 Capita	1.0	---	1.2	---
Officers Per Square Mile	0.3	---	3.5	---
Administrative Staff	2.0	1.2	1.5	0.3
Personnel Cost	\$1,072,188	\$661,218	\$872,412	\$211,193

The table above summarizes the impact to the Village by comparing the current state (FY2014) to a future state as described in Option 2 above. Note that the officers per 1,000 capita and officers per square mile ratios do improve but at a cost of just over \$200,000 to the Village. These future state ratios are still at the very bottom of the range compared to similar sized Wisconsin police departments.

There are 4 typical approaches to the staffing allocation of a police department. There is the per capita approach, the minimum staffing approach, the authorized level approach, and the workload-based approach.¹ Each of these approaches has positive and negative aspects.

The *per capita approach* is often strongly criticized for not addressing how officers spend their time, the quality of their efforts, how to deploy officers, and community conditions, needs, and expectations. The *minimum staffing approach* estimates the sufficient number of patrol officers that must be deployed at all times in order to protect and serve the public while maintaining safe conditions for the officers. This is sometimes governed by an ordinance or collective bargaining. The *authorized level* approach dictates staffing by budget allocations and political decision making. This approach is also criticized for setting artificial benchmarks that are not based on actual needs of the community or department. The most comprehensive approach is the *workload-based* approach; however this requires well documented historical information and detailed level analysis. This approach determines staffing needs based upon actual workload demands while accounting for agency characteristics and preferences. Given the limits of this study, the per capita approach (combined with other key ratio indicators) and the minimum staffing approach are the most feasible.

¹ www.policechiefmagazine.org

COTTAGE GROVE POLICE DEPARTMENT DISSOLUTION STUDY

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Staff Shifting Scenarios

The table below exhibits different scheduling considerations that would impact the level of staff needed.

Day	Current State 9 Officers in 3 Groups of 3 8 hr Shifts				Future State 6 Officers in 3 Groups of 2 12 hr Shifts				Future State 6 Officers in 2 Groups of 3 8 hr Shifts			
	G1	G2	G3	On Patrol	G1	G2	G3	On Patrol	G1	G2	G3	On Patrol
M	3.0		3.0	2.0			2.0	1.0	3.0			1.0
Tu	3.0		3.0	2.0	2.0			1.0	3.0			1.0
W	3.0		3.0	2.0	2.0			1.0	3.0			1.0
Th	3.0	3.0		2.0	2.0			1.0	3.0	3.0		2.0
F	3.0	3.0		2.0		2.0		1.0	3.0	3.0		2.0
Sa	3.0	3.0		2.0		2.0	2.0	2.0	3.0	3.0		2.0
Su		3.0	3.0	2.0		2.0	2.0	2.0		3.0		1.0
M		3.0	3.0	2.0			2.0	1.0		3.0		1.0
Tu		3.0	3.0	2.0	2.0			1.0		3.0		1.0
W	3.0		3.0	2.0	2.0			1.0	3.0			1.0
Th	3.0		3.0	2.0	2.0			1.0	3.0			1.0
F	3.0		3.0	2.0		2.0		1.0	3.0			1.0
Sa	3.0	3.0		2.0		2.0	2.0	2.0	3.0	3.0		2.0
Su	3.0	3.0		2.0		2.0	2.0	2.0	3.0	3.0		2.0
M	3.0	3.0		2.0			2.0	1.0	3.0	3.0		2.0
Tu		3.0	3.0	2.0	2.0			1.0		3.0		1.0
W		3.0	3.0	2.0	2.0			1.0		3.0		1.0
Th		3.0	3.0	2.0	2.0			1.0		3.0		1.0
F	3.0		3.0	2.0		2.0		1.0	3.0			1.0
Sa	3.0		3.0	2.0		2.0	2.0	2.0	3.0			1.0
Su	3.0		3.0	2.0		2.0	2.0	2.0	3.0			1.0

This table shows three different shift staffing scenarios for the department. For example, the Current State scenario for the combined department utilizes three different groups (G1, G2, and G3) with 3.0 patrol officers in each group. The 3.0 officers in a single group each are on shift for 8 hours to cover a full 24 hours. The scheduling of the three groups with six days on, three days off ensures that at least 2.0 patrol officers are “available” for patrol duty at all times. Generally, officers have additional duties other than patrol, and so this is only a “best case scenario”.

- > **Current State:** This table shows the combined department shifts that are being utilized today with three officers in each group (three groups total) covering 24 hours with three 8-hour shifts. Each group would work six days on, three days off, creating a nine day cycle. In a best case scenario (no vacation, administrative duties, etc.) there are 2 patrol officers on duty at all times. Note that the 9th officer is actually the sergeant.

- > **Future State 12 hr. shifts:** This table shows how six officers might be scheduled with two officers in each group (three groups total) covering 24 hours with two 12-hour shifts. Each group would work three days on, four days off, creating a seven day cycle. This would allow for one officer to be on patrol at all times during the weekdays and two officers on patrol during the weekends (or any two days of the week with high patrol demand). Additionally, each officer in each shift has four extra hours available per week for administrative or other duties. The sergeant is not included in this rotation but would likely be required to fill in where needed on patrol.
- > **Future State 8 hr. shifts:** This table shows how six officers might be scheduled with three officers in each group (two groups total) covering 24 hours with three 8-hour shifts, similar to the current state. Each group would work six days on, three days off, creating a nine days cycle. This would allow for one officer to be on patrol at all times for six days of the nine day cycle and two officers on patrol for three days of the nine day cycle. The sergeant is not included in this rotation but would likely be required to fill in where needed on patrol.
- > In all three scenarios, it is assumed that the detective / investigator would be utilized to help with patrol duties where necessary. This would be especially important in the future state scenarios where maintaining one officer on patrol at all times could prove to be challenging. It would be up to the department on whether to schedule the sergeant and/or investigator to patrol duty or to use those positions on an as-needed basis.

One final option that could be considered would be to augment municipal law enforcement staff with staff from the Dane County Sheriff office during peak times. The positive of this is that the Village would not be responsible for the employee benefits portion of having additional staff. The downside to this arrangement is that the Village would not have control over potential annual cost increases and would have less say in how that resource was scheduled, trained and awarded time off.

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Facility

The current lease situation assumes that the Village will be making lease payments into perpetuity which may not be the most ideal situation given that the Village will likely always maintain some sort of responsibility for a law enforcement presence. The following discusses the fiscal impact of a proposed new building or the purchase of an existing building (200 Progress Drive) that would serve the needs of the law enforcement function of the Village. Based on an estimate from an architect specializing in municipal facilities, the cost for a new 15,000 square foot facility on approximately 2.8 acres would range from \$3.1 to \$4.0 million. The cost for the purchase of the existing 200 Progress Drive building with 16,050 square feet would be approximately \$1.0 million. The tables below depict the cost breakdown for each scenario.

Description - New Facility	QTY	Unit	Unit Price	Unit Price	Estimated Low	Estimated High
Office	11,500	SF	\$145	\$195	\$1,667,500	\$2,242,500
Support	3,500	SF	\$115	\$165	\$402,500	\$577,500
Special Items - A/E Fees, Plan Review, Borings, Survey, Furnishings					\$288,000	\$288,000
Land Purchase /Business Relocation Costs	2.8	ac			\$250,000	\$250,000
Civil/Environmental Engineering					\$100,000	\$100,000
Contingency	15%				\$406,200	\$518,700
					Low	High
Budget needed					\$3,114,200	\$3,976,700

Description - Progress Dr. Bldg Purchase	QTY	Unit	Unit Price	Estimated Total
Purchase Price	16,050	SF	\$44.33	\$711,496.50
Special Items - Furnishings				\$60,000
Land Purchase /Business Relocation Costs				N/A
Civil/Environmental Engineering				N/A
Contingency for Building Modifications	30%			\$231,448.95
Budget needed				\$1,002,945.45

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Future State Debt Payment for Facility Options

Facility Option	Est. Total Cost to Build	Bond Term (Yrs.)	Bond Rate	Yearly Payment	Total Interest Paid for Term	Total Payment (no time value adjustment)
New Facility	\$3,500,000	30	3.00%	\$177,074	\$1,812,211	\$5,312,210.82
Building Purchase 200 Progress Drive	\$1,000,000	30	3.00%	\$50,592	\$517,775	\$1,517,774.54

The table above shows an estimation for expense that the Village would incur if a new building location is required (rather than leasing a facility) to accommodate the stand-alone Village police department.

Expenditures

The level of operating expenditure required for a stand-alone police department will increase by approximately \$370,000 to \$555,000 dependent upon the staffing scenario selected.

FY2014			
EXPENSE	COMBINED	OPTION 1	OPTION 2
Personnel	\$689,217	\$1,050,120	\$908,732
Operating	\$41,257	\$50,660	\$48,880
Vehicles	\$26,148	\$32,900	\$32,020
Facility	\$18,445	\$69,750	\$69,750
Professional Services	\$11,717	\$13,680	\$13,680
Professional Liability	\$5,920	\$9,600	\$7,680
Police Commission	\$5,859	\$5,859	\$5,859
Subtotal	\$798,564	\$1,232,568	\$1,086,600
Dissolution Specific Costs			
Capital Costs	\$0	\$61,917	\$21,917
Unemployment Costs	\$0	\$60,000	\$60,000
Subtotal	\$0	\$121,917	\$81,917
TOTAL	\$798,564	\$1,354,485	\$1,168,517

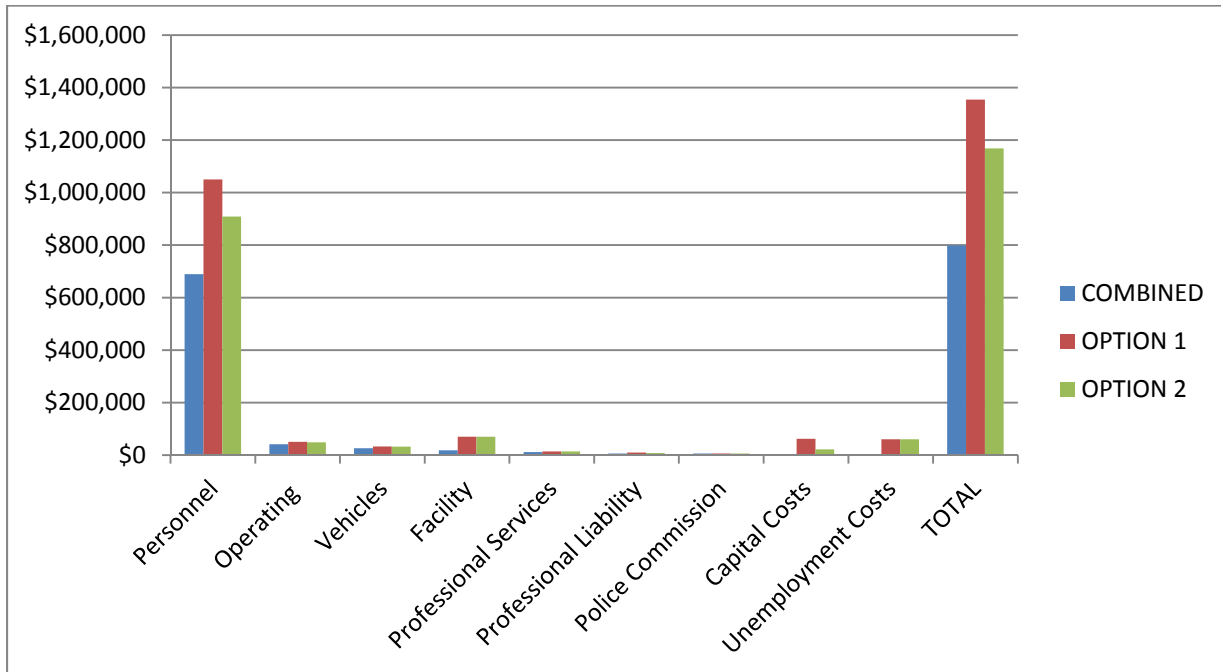
Notes:

1. Personnel costs are based on FY2014 budget information and the org charts mentioned previously for each scenario.
2. Facility costs in Option 1 and Option 2 include \$60,000 per year for average interest payments (new facility) spread over 30 years based on a 3.0% bond borrow rate. Debt payment related to principal pay down of the facility was **not included** in order to show a fair comparison to the "Combined" scenario with a lease.
3. Capital Costs in Option 1 include \$60,000 for the purchase of 3 vehicles from the Town and 38.33% buyout of \$5,000 the server.
4. Capital Costs in Option 2 include \$20,000 for the purchase of 1 vehicle from the Town and 38.33% buyout of \$5,000 the server.
5. Unemployment Costs for Option 1 and Option 2: Assumed \$40,000 per employee not retained at 3 employees (25% of department) split 50/50 between the Village and the Town.

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The bar graph below shows the magnitude of personnel costs when comparing each of the three options represented in the table above.



Potential Impacts

Each of the three options discussed above have essentially the same organizational structure, but with varying numbers of officers. However, the deputy chief budgeted for the FY2014 current state has been removed in both Option 1 and Option 2. Additionally, a sergeant position would be used within the officer patrol shifting and a sergeant investigator (detective) would be appointed to complete both detective duties when necessary and also aid the chief in supervision tasks and patrol tasks when required. Most similar sized agencies in Wisconsin that were researched did not include a deputy chief or captain but rather utilized lieutenant and sergeant positions. This is likely in order to maintain as large a patrol staff as possible and allow for flexibility for lieutenants and sergeants to provide both supervision and field force. The number of lieutenants and sergeants per officer seemed to vary significantly from agency to agency indicating that there is no industry standard for "span of control". This is likely because each agency assigns supervisory tasks depending on their specific need and staff capability.

COTTAGE GROVE POLICE DEPARTMENT DISSOLUTION STUDY

Village of Cottage Grove

Industry research of staff scheduling indicates that there is not a significant difference in the proportion of agencies that use 8 hour shifts vs. 10 hour shifts vs. 12 hour shifts. In fact, a 2009 survey of 300 county, township, and municipal police departments found that 29.3% used 8-hour shifts, 26.3% used 12-hour shifts, 22.3% used 10-hr shifts, and the rest were dispersed between 9, 11, and 13-hour shifts.² While the majority of these agencies were over 50 employees, there was a trend towards higher percentage of 12-hour shifts in the smaller (50-100 employee) departments. Additionally, a study conducted of the Lincoln, Nebraska police department interviewed 37 officers testing a change to a 12-hour shift for six months found that fatigue was a non-issue and “officer perceptions of the 12-hour shift were extremely favorable.”³

The fiscal impact to the Village when comparing the current state (continuation of a combined department) to the future state (Option 2: Low end benchmark aligned) is an additional \$369,953 for FY2014. Approximately \$81,917 (22.1%) is directly related to the dissolution or separation from the Town and \$219,515 (59.3%) is directly related to personnel costs. Facility costs for the future state depend on the length of period analyzed. Simply comparing the FY2014 debt payment (\$177,074) to the current state lease plus property tax payment (\$16,503) does not tell the entire story. Leasing a facility at \$17,000 per year into perpetuity (assume 100 years) sums to \$1.7 million. This is very similar to the total interest paid on the 30 year bond for a new facility (\$1.8 million). While a more in depth life cycle comparison would be required for a sound “buy vs. lease” decision to be made, this does put into perspective the two options.

Levy Impact

Scenario	Facility	Expenditure	Revenue	Levy Burden	Levy Rate
Combined	Lease	\$798,564	\$798,564	\$0	0.0000
Option 1	New Construction	\$1,471,558	\$798,564	\$672,994	1.1069
	200 Progress Drive	\$1,345,077	\$798,564	\$546,513	0.8989
Option 2	New Construction	\$1,285,591	\$798,564	\$487,026	0.8010
	200 Progress Drive	\$1,159,109	\$798,564	\$360,545	0.5930

Notes:

Total Equalized Value for the Village for 2014 is \$608,000,000 per the Village.
Expenditures include both principal and interest payments for capital costs.

The table above shows the various tax levy impacts for each of the police department scenarios combined with the facility options in the future dissolved state. Assuming an assessed value of \$250,000, the mean increased levy burden to the average homeowner for Option 2 with a new facility will be between \$148 and \$190 annually.

² Law Enforcement Shift Schedules: Results of a 2009 Random National Survey of Police Agencies by Police Foundation
www.policefoundation.org

³ A Look at the 12-Hour Shift: The Lincoln Police Department Study; Police Chief Magazine Nov. 2013
www.policechiefmagazine.org

Dissolution and Transition Period

Staffing

Staffing during the transition period should remain at a minimum of Option 2 future state levels. It is assumed that at least 75% of the current staff will be retained during the dissolution and for the future state. Contracting out services for an interim staff is not advisable and all quality staff should be retained if possible. Costs associated with turnover are assumed to be related to unemployment paid to three staff members at \$40,000 each for a total of \$120,000. This is approximately six months of an average fully loaded officer salary. It is assumed that the cost would be split 50/50 between the Village and the Town, or \$60,000 each.

Assets

The Village is assumed to retain 60% of all assets with officer equipment and department vehicles accounting for most of the current state assets (a complete list of department assets was not provided). It was assumed that the Village would retain five of the 8 vehicles (63%) and additional vehicles would be purchased from the Town at \$20,000 each. The relatively new IT server is assumed to have cost approximately \$5,000 and would be bought out from the Town at approximately \$2000 for the remainder of the 40%.

Interim Facility

The Village has indicated that a potential interim facility is the same building at 200 Progress Drive, Cottage Grove, WI that could also potentially be purchased as a long term facility option. The “middle” structure of this facility is 16,050 square feet and includes both office space and warehouse space. The office space has private offices and open area, including a lunch room, rest rooms, and a storage area. The warehouse area has one dock and one drive-in door. The cost is between \$4 and \$5 per square foot per year (assume \$4.50) which calculates to approximately \$72,225 per year in rent. Utilities, property taxes, and janitorial services are not included.

Fiscal Impact

The total interim fiscal impact, assuming Option 2 future state, would be the direct dissolution costs of \$81,917 (unemployment and capital costs for vehicles and server) plus the additional cost of approximately \$60,000 related to the interim facility versus the current leased facility. The total fiscal impact related to the dissolution and interim facility needs would then be approximately \$140,000.

Union Agreement

It is assumed for this study that because the Law Enforcement Commission (LEC) will cease to exist upon the dissolution of the joint department and is for the purposes of this study considered to be the “employer” listed in the current Collective Bargaining Agreement (CBA), that the Village will be required to recognize WPPA as the collective bargaining agreement but will likely have the opportunity to bargain the terms and conditions of the employees “new employment” with the Village.